



Canyon Fuel Company, LLC
Soldier Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(435) 637-6360 Fax: (435) 637-0108

July 1, 2004

Ms. Pamela Grubaugh-Littig
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

Heaving
C/007/0039

RE: Revisions to Chapter 5, Bond Calculation Adjustments, Canyon Fuel Company, LLC, Dugout Mine, C/007/039

Dear Ms. Grubaugh-Littig:

Enclosed please find four copies of revisions to Chapter 5 to address the adjustment to the reclamation bond associated with the expansion of a concrete pad area adjacent to the office/bath house/shop building.

An additional copy of the submittal has been delivered to the Price Field Office.

Please contact Vicky Miller at (435) 636-2869, if there are any questions concerning this submittal.

Sincerely yours,

Vicky S. Miller

Vicky S. Miller

Cc: Dave Spillman (enclosures)
Pete Hess (enclosures)

RECEIVED

JUL 02 2004

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: Canyon Fuel Company, LLC

Mine: Dugout Canyon Mine

Permit Number: C/007/039

Title: Adjustments to Bond Calculations

Description, Include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- ☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ ☐ increase ☐ decrease.
- ☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
- ☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- ☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
- ☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- ☐ Yes ☒ No 6. Does the application require or include public notice publication?
- ☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- ☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- ☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
- ☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- ☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
- ☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- ☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
- ☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- ☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
- ☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- ☒ Yes ☐ No 17. Does the application require or include construction, modification, or removal of surface facilities?
- ☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- ☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?
- ☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
- ☒ Yes ☐ No 21. Have reclamation costs for bonding been provided?
- ☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- ☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations herein.

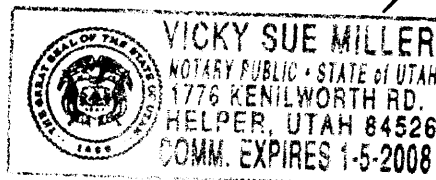
David Spillman
Print Name

David Spillman, Engineering Manager
Sign Name, Position, Date 6/24/04

Subscribed and sworn to before me this 29 day of June, 2004

Vicky Sue Miller
Notary Public

My commission Expires: 1-5, 2008
Attest: State of UTAH } ss:
County of CARBON



For Office Use Only:

Assigned Tracking
Number:

Received by Oil, Gas & Mining

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JUL 02 2004

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Canyon Fuel Company, LLC

Mine: Dugout Canyon Mine

Permit Number: C/007/039

Title: Revisions to Chapter 5, Bond Calculation Adjustments

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED[illegible]

Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

July 2, 2004

Received by Oil, Gas & Mining

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JUL 02 2004

DIV. OF OIL, GAS & MINING

APPENDIX 5-6

Reclamation Bond Estimate

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$903,319.00
Subtotal Backfilling and Grading	\$531,482.00
Subtotal Revegetation	\$363,927.00
Direct Costs	\$1,798,728.00

Indirect Costs

Mob/Demob	\$179,873.00	10.0%
Contingency	\$89,936.00	5.0%
Engineering Redesign	\$44,968.00	2.5%
Main Office Expense	\$122,314.00	6.8%
Project Mainagement Fee	\$44,968.00	2.5%
Subtotal Indirect Costs	\$482,059.00	26.8%

Total Cost	\$2,280,787.00
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Escalation factor	0.0259
Number of years	2
Escalation	\$119,675.00

Reclamation Cost Escalated	\$2,400,462.00
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Bond Amount (rounded to nearest \$1,000) 2005 Dollars	\$2,400,000.00
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Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Bathhouse No 14																			
	Structure's Demolition Cost	Steel Bld. Large	02220 110 0012	0.25	/CF						416365					CF		416365	CF	104091
	Structure's Vol. Demolished																0.2	3084	CY	
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel	City Services	City Service Price	4	/CY													3084	CY	12336
	Steel's Weight											107								
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Steel Truck	Truck dump 16 ton payload	01590 200 5300	435.96	/day									6.7		DAY		6.7	DAY	2921
	Transportation Cost Steel Truck Drive	Truck Driver, Heavy	Trhrv	\$40.30	HR									54		HR		54	HR	2176
	Disposal Cost Steel																			
	Subtotal																			121524
	Equipment's Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	9.05	/CY						524					CY		524	CY	4742
	Concrete's Vol. Demolished																1.3	681	CY	
	Loading Cost	Front end loader 3 CY	02315 400 1300	1.3	/CY													681	CY	885
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. md. tr	02320 200 0320	3.09	/CY													681	CY	2104
	Disposal Costs	On site disposal	02220 875 5550	6.3	/CY													681	CY	4290
	Subtotal																			12021
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			133945

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Methane Degas Wells 45																			
	Structure's Demolition Cost	Plug Well	AML3	5000	EA.										23	EA		23	EA	115000
	Structure's Vol. Demolished																			
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Steel's Weight																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Steel Truck																			
	Transportation Cost Steel Truck Drive																			
	Disposal Cost Steel																			
	Subtotal																			115000
	Fence																			
	Silt Fence	Silt fence	02370 700 1100	1.01	LF	12970										FT		12970	FT	13100
	Chicken Wire Fence	Fence Chicken Wire	02820 410 0012	6.55	LF	12970										FT		12970	FT	84954
	Subtotal																			98054
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Total																			213054

